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Part V

Environmental Protection Agency

New Motor Vehicle Emission Standards for Oxides of Nitrogen

ENVIRONMENTAL PROTECTION AGENCY

[FRL 1297-1]

Emissions of Oxides of Nitrogen; Decision of the Administrator

I. Introduction

Section 202(b)(1)(B) of the Clean Air Act, as amended (Act),[1] requires that emissions of oxides of nitrogen (NOx) from light-duty vehicles and engines manufactured during and after model year 1981 not exceed 1.0 grams per vehicle mile (gpm). This section also provides that the Administrator shall prescribe standards in lieu of the 1.0 gpm standard which require NOx emissions not to exceed 2.9 gpm for any 1981 and 1982 model year light-duty vehicle produced by qualifying manufacturers. To qualify, the manufacturer's worldwide light-duty vehicle production for calendar year 1976, by corporate identity, must have been less than three hundred thousand, and the Administrator must determine that—

(i) The ability of the manufacturer to meet emission standards in 1975 and subsequent model years was, and is, primarily dependent upon technology developed by other manufacturers and purchased from such manufacturers; and

(ii) The manufacturer lacks the financial resources and technological ability to develop such technology.

The provision for extension of the 1980 No_x standard of 2.0 gpm was adopted to allow small manufacturers which lack the financial and technological resources to design their own pollution control technology the additional leadtime necessary to develop adequate experience and confidence in advanced systems technology purchased from other manufacturers.[2]

A request for such a delay of the statutory 1.0 gpm No_x standard was filed with the Environmental Protection Agency (EPA) on October 18, 1978, by American Motors Corporation (AMC).[3] On November 21, 1979, EPA forwarded guidelines to AMC for submission of information to enable the Administrator to make the statutorily prescribed determinations.[4] AMC submitted a response to those guidelines on January 12, 1979.[5] A Federal Register notice was published on May 3, 1979, which provided notice of receipt of AMC's January 12, 1979 application, and established guidelines for other manufacturers which might submit similar applications.[6] The notice also requested public comment on the guidelines and on EPA's preliminary conclusion that AMC appeared to qualify under section 202(b)(1)(B).[7] A thirty day period was provided for public comment. No comments were received.

Summary of Decision

I have determined that AMC has demonstrated that it qualifies under the statutory criteria for a two year delay in application of the 1.0 gpm No_x standard. AMC has documented that its 1976 calendar year worldwide light-duty vehicle production was less than 300,000. Its dependence upon the technology developed by other automobile manufacturers in complying with 1975 and subsequent model year Federal emission standards also is documented. Not only does AMC purchase all of its major emission control equipment from other automobile manufacturers, but in many cases it also relies upon other manufacturers to supply technical expertise to enable AMC to integrate the equipment into its production vehicles.

AMC has demonstrated that it lacks the technological capability to develop independently the technology necessary to meet Federal emission standards. AMC's claimed lack of facilities and personnel needed to develop the increasingly complex emission control systems required to comply with Federal emission standards is supported by its continued reliance upon other manufacturers for purchase of emission control technology. Further, AMC has claimed that it could not apply technologies developed by other manufacturers in time to meet the 1981–82 Federal emission standards.

Based on AMC's estimate of the financial resources necessary to develop its own emission control technologies and an examination of AMC's present financial position, it appears that AMC lacks the resources necessary for such development. Further, it appears that no amount of additional investment would accelerate AMC's application of purchased technology sufficiently to enable it to meet the 1981 model year Federal emission standards in the 1981–82 model years.

Because AMC meets the criteria established by Congress for granting a delay of the model year 1981 Federal emission standards, I am prescribing a No_x standard of 2.0 gpm to be applied to light-duty vehicles manufactured by AMC in model years 1981 and 1982.[8]

III. Discussion

A. Calendar Year 1976 Production

Only those manufacturers which, by corporate identity, produced less than 300,000 light-duty vehicles worldwide in calendar year 1976, are eligible for the No_x extension. AMC has reported its 1976 worldwide light-duty vehicle production to have been 256,819,[9] bringing it within the production limitation.

Subsidiaries of AMC which fall within its "corporate identity," such as the Jeep and AM General Corporations, produce vehicles classified as light-duty trucks under EPA regulations and are not included in the worldwide production figure.[10]

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[1] 42 U.S.C. 7521(b)(1)(B) (1977).

[2] The small-volume manufacturer provision evolved from the original Senate version of the 1977 amendments to the Act, which would have exempted manufacturers representing less than 3 percent of light duty vehicle world sales from bringing 10 percent of their 1979 light-duty vehicle production into compliance with the 1980 No_x standard of 1.0 gpm. S. Rep. No. 95–127, 95th Cong., 1st Sess. 71 (1977). Senator Nelson later sponsored an amendment to establish an "interim compliance schedule" for small manufacturers "in whose case the Administrator determines that the ability to meet 1975 and later model year emission standards was and is primarily dependent upon technology developed by (and purchased from) others." 123 Cong. Rec. 9231 (daily ed. June 9, 1977). The schedule allowed compliance with a No_x standard of 2.0 gpm in 1980 and 1981 and 1.0 gpm in 1982. Id. at 9232. Senator Baker's amendment, incorporated into the final Senate bill, provided for a 2.0 gpm standard for any 1980 or 1981 light-duty vehicle produced by certain manufacturers. 123 Cong. Rec. 9292 (daily ed. June 9, 1977). The conference bill applied the extension to model years 1981–1982 since the 1.0 gpm No_x standard was first to be met in 1981, and added the criterion that the Administrator determine the manufacturer lacked the financial resources and technological ability to develop such technology. H.R. Rep. No. 95–564, 95th Cong., 1st Sess. 73 (1977).

[3] Letter from William C. Jones, Manager, Emissions and Energy Standards, American Motors Corporation (AMC), to Douglas M. Costle, Administrator, Environmental Protection Agency (EPA), October 18, 1978.

[4] Letter from Charles N. Freed, Acting Director, Mobile Source Enforcement Division, EPA, to William C. Jones, AMC (November 21, 1978).

[5] "AMC Response to the Guidelines" (hereinafter "AMC App.") attached to letter from William C. Jones, AMC, to Charles N. Freed, EPA (January 12, 1979).

[6] 44 FR 25883 (1979).

[7] 44 FR 25883, 25884 (1979).

[8] In reaching the determination that AMC meets the criteria established in section 202(b)(1)(B), I have not considered the separate question whether it is technologically feasible for AMC to produce a given percentage of its vehicles to meet the California No_x standard applicable for the 1980 model year. Consequently, any conclusions reached in this decision should not be interpreted as constituting judgments on that issue. The question whether AMC is entitled to any special relief from California's 1980 No_x standards is currently pending in the case of *American Motors Corporation* v. *Costle*, No. 78–1799 (D.C. Cir., filed August 16, 1978).

[9] AMC App. 1.

[10] See AMC App. 1; 40 CFR Part 86 (1978).

B. Dependence Upon Technology of Other Manufacturers

My determination that AMC's ability to comply with 1975 and later model year emission standards was, and is, primarily dependent upon technology developed by, and purchased from other manufacturers [11] stems from two considerations: Whether AMC has purchased and will continue to purchase the emission-related components or systems needed to meet 1975 through 1981 model year Federal emission standards, and whether AMC's ability to meet the standards depends primarily upon purchase of components or systems "developed by" other manufacturers.[12]

The major emissions-related components for all the emission control systems used on AMC passenger car engine families to meet 1975 through 1981 model year standards are purchased from other manufacturers.[13] Some of the major components are acquired through pre-arranged purchase agreements with manufacturer-vendors. For example, AMC has entered annual agreements with General Motors Corporation since 1975 for purchase of certain components.[14] For some engine families, AMC purchases basic systems or total engine-emission control systems.[15]

Each component or emission control system purchased by AMC is "developed by" another manufacturer in that the basic technology already has been established and applied to control of particular motor vehicle emissions. In most cases, the capability of a particular technology to achieve desired levels of emission control has been demonstrated by the supplier-vehicle manufacturer.[16] The suppliers generally have had several years of research and development experience or actual certification and production experience with the components or systems at a less stringent level of standards before they become available to AMC.[17]

The development work engaged in by AMC primarily consists of evaluation and selection of emission control components and "adaptation" of the assembled components or basic systems to AMC vehicles.[18] After evaluating and assembling a final package of components, a development phase is conducted in which the final component or system candidates are tested on vehicles at various parameter adjustments and configurations.[19] This is followed by a precertification phase where fuel efficiency, performance, and driveability are maximized to make AMC vehicles competitive with its supplier's vehicles.[20]

Although AMC does conduct specific component development work, that work consists primarily of selecting and integrating the most compatible components into a reliable calibration configuration for each engine family.[21] A substantial amount of this work is conducted jointly with the supplying manufacturer.[22]

AMC also purchases and applies basic systems and total engine-emission control systems to some engine families.[23] Although the technology is substantially developed, AMC must certify the vehicle to ensure compliance with all Federal emissions requirements.[24]

AMC depends upon it suppliers for technological expertise as well as for the components themselves.[25] For example, since 1970 it has entered annual agreements with General Motors Corporation (GM) to obtain basic and applied research and development information covering a broad range of emissions and fuel economy topics.[26] AMC also has maintained a consulting agreement in the area of engine development.[27]

As AMC seeks a delay of the 1981 NOx standard of 1.0 gpm, I have inquired into AMC's reliance upon other manufacturers' technologies to meet the 1.0 gpm NOx standard. AMC has stated that conventional emission control technology (i.e., non-three-way catalyst technology) cannot be used to attain the low NOx levels and other emissions requirements in the 1981 model year. Therefore, AMC is purchasing components and systems reflecting new technologies in the 1980 model year, to be used as the basis for compliance with the 1.0 gpm NOx standard in its later model year engines.[28] However, AMC has stated that its lack of experience with the new technologies and its lack of production and in-use information on the systems places AMC at least two years behind the major manufacturers in adapting and applying the new technology.[29] Therefore, AMC will need additional lead time to engage in post-purchase development work to achieve acceptable levels of emission control, fuel efficiency and performance.[30]

In summary, AMC's dependency upon technology developed by others to meet emission standards is shown by its purchase of major emission-related components or systems. All components or systems are "developed" by other manufacturers in that their capabilities already have been demonstrated through development and testing by the supplier-manufacturer. Although AMC further "develops" the components or systems for use in AMC's vehicles, the basic technology is established before AMC's purchase. Since AMC's ability to bring all of its engine families into compliance with 1975–82 model year emission requirements results from its purchase and integration of other manufacturers' components or systems, AMC is deemed to be "primarily dependent" upon technology developed by, and purchased from, other manufacturers.

C. Lack of Financial Resources and Technology Ability To Develop the Necessary Technology

I have examined the company's financial position in the period 1974–1980 to assess AMC's ability to finance the programs necessary for it to develop internally the technology required to

[11] For purposes of this decision, "other manufacturers" are deemed to be other motor vehicle manufacturers. The term "manufacturer" is defined in Section 216(1) of the Act as "any person engaged in the manufacturing or assembling of new motor vehicles or . . . engines." 42 U.S.C. 7550(1) (1977).

[12] Development by other manufacturers is deemed to mean that the development necessary to demonstrate the capability of a component or system to meet Federal requirements has been accomplished.

[13] AMC App. 3, 7, 12.

[14] AMC App. 22.

[15] AMC App. 3; Responses attached to Letter from William C. Jones. AMC, to Matthew A. Low, EPA, 3–4 (February 16, 1979) (hereinafter "AMC February 16, 1979 Response").

[16] *See* AMC App. 12.

[17] AMC App. 6, 7, 12. An example of this was AMC's procurement of three-way catalyst technology from Ford Motor Company for the 1980 model year. AMC App. 14.

[18] AMC App. 6; See AMC App. 12–14.

[19] AMC App. 13.

[20] AMC App. 6, 12, 13, 15.

[21] AMC App.6–8.

[22] AMC App.7.

[23] *See, e.g.,* AMC App. 13–15 (AMC purchase, adoption-and-development of Ford's three-way catalyst, electronic control unit, feedback carburetor and stepper motor); AMC February 16, 1979 Response 5–6 (AMC purchase of total engine-emission control system from Pontiac Motors for its 4-cylinder 1980 model year passenger cars).

[24] AMC February 16, 1979 Response 3–6.

[25] AMC App. 21–22; see AMC App. 14.

[26] AMC App. 21.

[27] AMC App. 21–22 (Ricardo-AMC Consultation Agreement).

[28] AMC App. 13–15 (three-way catalyst system for 6-cylinder engines); AMC February 16, 1979 Response (total engine-emission control system for 4-cylinder engines).

[29] AMC 14–15.

[30] AMC App. 2, 15; AMC February 16, 1979 Response 3–6. AMC must be able to gather production and in-use information as a basis for achieving the 1981 statutory requirements. An example of its dependent position is its procurement of the total engine-emission control system for compliance of its 4-cylinder engines with 1980 model year emissions requirements. Until GM provides prototypes to AMC, AMC cannot begin its development work.

meet emission standards in model years 1975–81.[31] This included an inquiry into whether AMC, given its present financial status and technological abilities, could develop the technology currently available to the company to meet the NOx standard of 1.0 gpm in time to meet 1981 and 1982 model year certification testing and production schedules.[32]

AMC has claimed that independent and self-sustaining emission control research and development programs require resources that have historically been outside of AMC's reach.[33] This has forced AMC to depend upon other manufacturers to develop and provide the technology for basic emission control systems, and increasingly stringent emissions requirements in 1980 and later model years will intensify this forced dependency.[34] I cannot conclude from available information that it is "inconceivable" that AMC could have invested in internal development programs to meet emission standards, as claimed by AMC, rather than investing in purchasing and adapting other manufacturers' basic systems.[35] However, I am able to conclude that, if the financial resources to make such investments were or are presently available to AMC, they would be available at such a high cost to the company that it would weaken substantially its competitive position in the domestic auto market.

My conclusion is based upon AMC's financial status and market position throughout the relevant period. The earnings generated internally by the company, although reflecting the cyclical nature of the auto industry, generally have been poor.[36]

AMC claims that its small passenger car sales volumes preclude increasing its present expenditures to achieve self sufficiency for research and development of the necessary emission control components and systems.[37] It is difficult to determine the impact of this factor on AMC's ability to achieve such self sufficiency. However, when viewed in combination with other factors, it may contribute to the impracticality for AMC to initiate, at this time, a program to develop its own technology designed to meet the 1981–82 Federal emission standards.

AMC's steadily decreasing sales volumes and falling percentage market share since 1975[38] have increased AMC's need to minimize costs in order to remain viable. AMC's efforts aimed specifically at minimizing costs for other than essential expenditures have increased each year.[39] At the same time, its emissions-related development costs have increased substantially each year, even without incurring the cost of the higher-risk programs accompanying independent technology development.[40] Because internal development would involve not only increased research and development costs, but also reliability testing and tooling costs,[41] AMC's available cash and liquid assets probably would be insufficient to cover those costs at this time.[42]

External financing at this time of any additional costs incurred by independent technology development does not appear to be a viable alternative to AMC's internal generation of cash flow through car sales. The price range of AMC stock has continuously fallen since 1974, making it difficult for the company to issue stock at a reasonable cost to finance internal development of pollution control technology.[43] The company also is not in a position to readily issue additional

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[31] An examination of AMC's financial status in the period 1974 through 1979 is pertinent to the firm's technological development for the 1975–81 model years due to the firm's lead time requirements. For instance, AMC's 1981 development must be essentially completed by the end of the 1979 fiscal year (9/30/79), since the 1981 certification cycle is scheduled to begin in August 1979. *See* AMC App. 28.

For purposes of this decision, the technology necessary to meet the subject emission standards is deemed to be the emission control systems developed by other manufacturers which have demonstrated capability to meet certification and in-use requirements.

The most direct method for determining whether AMC could independently develop this technology would involve comparing other manufacturers' costs to develop particular systems with estimated costs for AMC to develop the system. However, because design and development of most emission control systems by auto manufacturers involves years of planning, investment, prototype development, and testing, and because each manufacturer relies to differing degrees on the technology of others (e.g., catalyst manufacturers) it would be difficult to estimate the development costs incurred by other manufacturers. In addition, even if an estimate of the long-term or yearly cost of internally developing a particular technology could be made, it could not be compared to AMC's purchase/development costs to determine if AMC could reallocate its expenditures for independent development. This is because AMC's development costs for a single fiscal year cover a number of future model year control systems, which would be difficult to separate into costs incurred for each system. Also, AMC's "purchase" costs are based upon expenditures for each model year which cannot be integrated with AMC "development" costs to derive a total annual cost incurred to meet emission standards. (Letter from William C. Jones, AMC, to Matthew A. Low, EPA, 2 (March 13, 1979) [hereinafter "AMC March 13, 1979, letter.]

Therefore, I have examined AMC's financial position in terms of its overall ability to generate additional capital to initiate independent development programs for the 1975 and later model years without relying on partially developed systems acquired from others.

[32] Assuming that AMC has not been able to initiate self-sustaining and independent internal development programs, an important consideration remains. Since the extension applies to the 1981–82 model years, it should be determined whether AMC, using its current financial and technological resources, could meet the 1981 NOx standard.

[33] AMC App. 25, 28; AMC February 16, 1979 Letter 1.

[34] AMC February 16, 1979 letter, 2.

[35] In order to conclude that AMC could not have invested in independent development programs, I would need the following information: (1) AMC's total purchase/development costs for each system; (2) the costs theoretically incurred for AMC to internally develop the system; (3) the incremental cost to AMC from a comparions of (1) and (2) above; (4) whether AMC's cash flow is sufficient to cover (3) above. Because AMC could not provide the information in (1) and (2) above, EPA could not establish conclusively that AMC's finances would not be sufficient for independent development.

[36] Internal generation of cash flow is limited, as evidenced by the following figures on earnings:

[Dollars in thousands]

1978	1977	1976	1975	Average
36,690	5,266	46,340	27,500	7,221

Moody's Investors Service, Inc., Moody's Industrial Manual, 15 (1978) [hereinafter "Moody's"]

[37] AMC App. 25.

[38] In the 1976 model year, AMC sold 295,062 cars. This decreased to 206,367 in the 1977 model year, and 164,749 in the 1978 model year. AMC March 13, 1979 Letter 2. AMC's share of the U.S. market has decreased as shown in the following table:

[Percentage of total industry sales (1%)]

1979	1978	1977	1976	1975	1974
1.28 (estimated)	1.6	1.9	2.8	3.6	4

SEC Forms 10-k (American Motors Corporation Annual Reports), File No. 1-622 (1977, 1978) [hereinafter 1977 or 1978 "SEC Forms"].

[39] For example, AMC has made less significant year to year styling change in its existing models due to the substantial financial commitments needed for product specification, engineering and styling. Also, AMC's net additions to property, plant and equipment also have fallen, even in nominal terms. 1977 SEC Form at 5–6, 1978 SEC Form at 5–6.

[40] The increase in development costs is shown by the following table:

[AMC passenger car emissions development costs; dollars in thousands]

1975	1976	1977	1978
4,734	7,017	6,084	7,356

AMC App. 27.

[41] AMC App. 25, 27; AMC March 13, 1979 letter, 2.

[42] AMC's current debt/equity ratio has fallen over the period 1973–77, reflecting a decrease in liquidity and possibly in cash and liquid assets available for uses other than essential expenditures. Moody's at 117.

[43] The rate of return on assets and equity has fallen from 1974 to 1977, as has AMC stock, from 13⅝ to 3⅝. Moody's at 117. This reflects a market perceived decrease in the value of the firm, preventing easy issuance of stock.

debt at a reasonable cost to finance the increased operating expenditures.[44]

Because the cost to operate internal development programs are considered by AMC to be prohibitive for a company of its current or projected use rates, AMC has not acquired the facilities or personnel to engage in independent research and development programs.[45] Consequently, AMC's level of technological development is claimed to be two years behind that of the major manufacturers, since it must rely on use of already-developed systems which AMC adapts to its vehicle configurations.[46] Its lack of technological capabilities has resulted in reliance upon other manufacturers not only for acquisition of equipment, but also for consultation with technical staffs of other manufacturers and companies on vehicle emissions and fuel economy issues.[47] This consultation substitutes, to a degree, for AMC's inability to funds its own basic and applied research programs.[48]

Even if AMC could obtain the necessary financing, there is insufficient lead time remaining for AMC to develop its own technologies to meet the 1.0 gpm NOx standard in 1981 and 1982. Given AMC's current lack of independent development programs and facilities, it would be impossible for it to implement such programs, design and manufacture its own technology within the remaining two years lead time.

In addition, the remaining lead time does not appear to be sufficient for AMC to meet the 1.0 gpm emission standard even it if attempted to apply the technology developed by, and purchased from, other manufacturers. AMC states that it requires at least two years of development and experience to adapt a purchased system, already demonstrated to be reliable by another manufacturer, to its vehicle configurations with comparable reliability, driveability, fuel economy, durability and emissions levels.[49] Even in cases where AMC is accelerating application of technology which another manufacturer has demonstrated to be capable of meeting the 1.0 gpm standard, AMC states that it requires two years of post-production lead time to insure its vehicles' compliance with all 1981–82 Federal emission requirements.[50]

IV. Final Decision and Amended Rule

Section 202(b)(1)(B) of the Act requires that I prescribe standards which provide that NOx emissions may not exceed 2.0 gpm for any light duty vehicle manufactured during model years 1981 and 1982 by qualifying manufacturers. Based upon the foregoing discussion of AMC's qualifications, I hereby am prescribing a NOx standard of 2.0 gpm applicable to AMC's 1981 and 1982 model year light duty vehicles.

Part 86 of Chapter 1, Title 40 of the Code of Federal Regulations, as applicable to 1981 and later model year light-duty vehicles, is amended below. (See FR Doc. 79–25230 which follows.)

Dated: Aug. 8, 1979.

Douglas M. Costle,

Administrator.

[FR Doc. 79–25229 Filed 8–14–79; 8:45 am]

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[44] The lending rate for AMC is 2 percent over prime. This risk premium reflects the fact that, from 1973 to 1977, "times charges earned" (i.e., earnings/interest charges) has fallen from 12.43 to 1.36, showing a decreased ability to meet debt obligations and to pay interest. Moody's at 117.

[45] AMC App. 16.

[46] *Id.*

[47] See AMC App. 21–22. (GM–AMC Consultation Agreement; Ricardo Consulting Engineers Consulting Agreement).

[48] AMC App. 22.

[49] AMC App. 15.

[50] AMC February 16, 1979 letter, 3–6. AMC has stated that concurrent introduction of another manufacturer's technology is not possible in model years 1981 and 1982. AMC's concurrent introduction of General Motor's Pontiac "X/engine" in 1980 model year Federal and California cars is possible because Pontiac was pulling its 1980 program ahead by approximately 6 months. Also, the 1980 system cannot be adapted by AMC to meet the 1981 requirements without the two year lead time normally required to adapt basic systems to its vehicles. *Id.*

AMC also has stated that the technology to be used to meet California's 1980 and later model year emission standards cannot be developed by AMC in time to meet 1981 Federal emissions requirements due to such complicating factors as Federal fuel economy requirements and inability to carry over 1980 California deterioration factors. *See* AMC App. 19–20; AMC February 16, letter, 5–6.

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 86

[FRL 1297-2]

New Motor Vehicle Emission Standards for Oxides of Nitrogen (NOx)

AGENCY: Environmental Protection Agency.

ACTION: Final Rule.

SUMMARY: This regulation establishes the NOx emission standards for 1981 and 1982 model year light-duty vehicles manufactured by American Motors Corporation in order to make effective the Decision of the Administrator published above.

EFFECTIVE DATE: September 14, 1979.

FOR FURTHER INFORMATION CONTACT: Maureen D. Smith, Mobile Source Enforcement Division (EN-340), Environmental Protection Agency, 401 M Street, S.W., Washington, D.C. 20460, (202) 426-9436.

SUPPLEMENTARY INFORMATION: Section 202(b)(1)(B) of the Clean Air Act, 42 U.S.C. 7521(b)(1)(B) ("Act"), requires that NOx emissions from light-duty vehicles and engines manufactured in the 1981 and later model years not exceed 1.0 grams per vehicle mile (gpm). This section also directs the Administrator to prescribe standards, in lieu of the 1.0 gpm standards, which provide that NOx emissions may not exceed 2.0 gpm for any light-duty vehicle manufactured during model years 1981 and 1982 by any manufacturer for which the Administrator can make the requisite statutory determinations. The statutory criteria and my determinations with respect to American Motors Corporation (AMC) appear in the decision published above.

Having determined in the decision published above that AMC has met the waiver criteria of section 202(b)(1)(B), I am required by statute to promulgate the appropriate regulations adopting the 2.0 gpm NOx standard to apply to 1981 and 1982 model year light-duty vehicles manufactured by AMC. Therefore, I find good cause to dispense with a comment period prior to promulgation of the final rule. However, it should be noted that an opportunity was given for comment on AMC's application and EPA's preliminary assessment that AMC appeared to qualify for a waiver. No comments were received. Note: The Environmental Protection Agency has determined that this document does not contain a major proposal requiring preparation of an economic impact analysis under Executive Orders 11821 and 11949 and OMB Circular A-107.

Dated: August 8, 1979.

Douglas M. Costle,

Administrator.

40 CFR Part 86 is amended as follows:

Subpart A—General Provisions for Emission Regulations for 1977 and Later Model Year New Light-Duty Vehicles, 1977 and Later Model Year New Light-Duty Trucks, and for 1977 and Later Model Year New Heavy-Duty Engines

40 CFR, § 86.081-8(a)(1), published at 43 FR 37972 (August 24, 1978), is revised as follows:

§ 86.081-8 Emissions standards for 1981 light-duty vehicles.

(a)(1) Exhaust emissions from 1981 and later model year light-duty vehicles shall not exceed:

(i) Hydrocarbons. 0.41 grams per vehicle mile;

(ii) Carbon monoxide. 3.4 grams per vehicle mile;

(iii) Oxides of nitrogen. 1.0 gram per vehicle mile, except that oxides of nitrogen emissions from 1981 and 1982 light-duty vehicles manufactured by American Motors Corporation shall not exceed 2.0 grams per vehicle mile.

[FR Doc. 79-25230 Filed 8-14-79; 8:45 am]

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